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United States
Department Of
Agriculture

Office of The
Secretary

Office of the
Chief Financial
Officer

Secretary's Management Report to Congress

October 1, 1994 - March 31, 1995

Volume 12

Management Actions

Taken on Audit Recommendations

P.L. 100 - 504



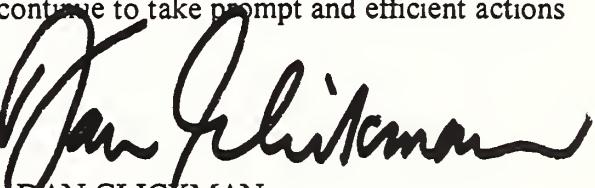
DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

September 18 1995

MESSAGE FROM THE SECRETARY

The Department of Agriculture is bringing Government back to the people by working as their advocate to acquire and to diffuse useful information on subjects connected with agriculture in the most general and comprehensive manner. To streamline the Department's spending, we will scrutinize our programs to emphasize the need to manage them in the most honest, productive and cost effective way possible.

Close monitoring and effective implementation by managing audit findings will promote the Department's mission. I will ensure that managers continue to take prompt and efficient actions to implement program improvement.



DAN GLICKMAN
Secretary

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AGENCY ABBREVIATIONS

| | |
|--------|---|
| AMS | Agricultural Marketing Service |
| ARS | Agricultural Research Service |
| APHIS | Animal and Plant Health Inspection Service |
| CCC | Commodity Credit Corporation |
| CFSA | Consolidated Farm Service Agency |
| CSREES | Cooperative State Research, Education and Extension Service |
| FAS | Foreign Agricultural Service |
| FCS | Food and Consumer Service |
| FS | Forest Service |
| FSIS | Food Safety and Inspection Service |
| NASS | National Agricultural Statistics Service |
| NFC | National Finance Center |
| NRCS | National Resources Conservation Service |
| OCFO | Office of the Chief Financial Officer |
| OFM | Office of Finance and Management |
| OGC | Office of the General Counsel |
| OIG | Office of Inspector General |
| OIRM | Office of Information Resources Management |
| OO | Office of Operations |
| RBCD | Rural Business and Cooperative Development |
| RHCD | Rural Housing and Community Development |
| RUS | Rural Utilities Service |

DEFINITIONS

Questioned Cost. A cost OIG questions because of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of the audit, the cost is not supported by adequate documentation; or
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Disallowed Cost. A questioned cost that management sustains or agrees is not chargeable to the government.

Funds To Be Put To Better Use. A recommendation by OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation, including:

- reductions in outlays;
- deobligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee;
- avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or
- any other savings which are specifically identified.

Management Decision. Management's evaluation of the audit findings and recommendations and the issuance of a final decision by management concerning its response to the findings and recommendations, including necessary actions.

Final Action. Final action means:

- the completion of all actions that management has concluded are necessary in its management decision with respect to the findings and recommendations included in an audit report; and
- in the event that management concludes no action is necessary, final action occurs when a management decision is made.

EXECUTIVE SUMMARY

Background

The Secretary's Management Report to the Congress is required by the Inspector General Act Amendments of 1988. The Amendments require that the Secretary report on the status of management decisions and final actions taken on audit recommendations. This is the 12th report issued by the Department of Agriculture (USDA) and covers the 6-month period October 1, 1994, through March 31, 1995. The report reflects management's implementation of audit recommendations contained in audit reports issued by the USDA Office of Inspector General (OIG) and explains why action on audits remains incomplete 1 year from the management decisions. It complements the OIG Semiannual Report to the Congress which includes data on audit reports issued and the status of management decisions made during this 6-month period.

Universe of Audits

Over the past 6 months, the Office of the Chief Financial Officer monitored and analyzed 417 audits with 2,966 recommendations. These audits contained approximately \$159 million in costs that management determined should not be charged to the Department's programs (disallowed) and approximately \$1.7 billion in funds which management agreed could be used more efficiently (funds to be put to better use).

Final Actions

Disallowed Costs - Management completed action on 56 audit reports containing 125 recommendations. As a result, over \$8.8 million was recovered in disallowed costs and less than \$1 million was written off in funds that management determined to be uncollectible due to bankruptcies, excessive cost of collections, legal decisions, or terminations in program participation.

Funds To Be Put To Better Use - Management completed action on 16 audits with over \$505 million in funds they determined could be used more efficiently and determined that less than \$700 thousand could not be used more efficiently.

Audits Without Final Action

As of March 31, 1995, 296 audits containing approximately 2,400 recommendations are without final action. These audits contain over \$149 million in disallowed costs and about \$1.2 billion in funds which management agreed could be put to better use.

Of the 296 audits, 122 do not have final action on the entire audit 1 year from the management decision. Explanations for these audits are contained in Appendix 1 to this report. Many of the management decisions to effect corrective action on these audits involve development of long-term automated system changes, regulations, and directives; legal implications; actions by non-USDA agencies; and time-consuming collection processes. Of the 122 audits, management has completed action on 876 recommendations containing approximately \$54.7 million in disallowed costs and approximately \$305.3 million in funds to be put to better use.

Audits Under Appeal or Requiring a Legislative Solution

There are 16 audits containing 157 recommendations either under appeal or requiring a legislative solution to effect final action. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on 72 recommendations containing approximately \$2.6 million in disallowed costs and \$3.4 million in funds that OIG recommended could be put to better use.

**FINAL ACTION ON AUDITS AND AUDIT RECOMMENDATIONS
WITH DISALLOWED COSTS FOR THE 6-MONTH PERIOD
October 1, 1994 - March 31, 1995**

The chart on the following page depicts the overall status of audits with disallowed costs for this reporting period. As of October 1, 1994, final action was in process but not complete on 139 audits with \$146,375,996 in disallowed costs. Management decisions were made during the period on 68 audits with \$12,635,249 in disallowed costs. Management implemented action on 56 audits, recovering \$8,832,496 in costs that should not be charged to USDA programs and writing off \$935,088 in uncollectible debts due to bankruptcies, excessive cost of collections, legal determinations, or terminations in program participation. Additionally, agencies either collected or wrote off \$1,663,194 as a result of final action taken on 30 individual audit recommendations.

**Final Action on Audits And Audit Recommendations
With Disallowed Costs
October 1, 1994 - March 31, 1995**

| Disallowed Costs | | |
|--|----------------------------|--------------------------|
| | Number of Audit Reports | Dollars |
| A. Management decisions with no final action as of October 1, 1994 | 139 ¹ | 146,375,996 ¹ |
| B. Management decisions during the period | 68 | 12,635,249 |
| C. Total management decisions (A + B) | 207 | 159,011,245 |
| D. Final action on audit reports | 56 | 9,963,038 ² |
| 1. Recoveries | | |
| (a) Collections | | 1,609,904 |
| (b) Other | | 7,222,592 |
| (c) Property in lieu of cash | | |
| 2. Writeoffs | | 935,088 |
| 3. Subtotal (1 + 2) | | 9,767,584 ³ |
| E. Audit reports needing final action as of March 31, 1993 (C - D) | 151 | 149,048,207 |
| RECOMMENDATIONS | | |
| F. Final action on audit recommendations | 30 | 1,663,194 |
| 1. Recoveries | | |
| (a) Collections | | 486,169 |
| (b) Other | | 1,177,025 |
| 2. Writeoffs | | |
| 3. Subtotal (1 + 2) | | 1,663,194 |
| G. Total final action taken during the period (D + F) | | 11,626,232 |

¹This reflects the increase of one audit inadvertently omitted from the last report and one audit reopened.

²This amount was reduced by \$201,997 due to documentation obtained to support the costs and appeals.

³This reflects additional collections of \$6,543.

**FINAL ACTION ON AUDITS AND AUDIT RECOMMENDATIONS
WITH FUNDS TO BE PUT TO BETTER USE FOR THE 6-MONTH PERIOD
October 1, 1994 - March 31, 1995**

The chart on the following page depicts the overall status of audits with funds to be put to better use for this reporting period. As of October 1, 1994, final action was in process but not complete on 56 audits with \$1,436,287,725 in funds recommended to be put to better use. Management decisions were made during the period on 15 audits with \$244,045,774 in funds to be put to better use. Management implemented action on 16 audits containing \$505,295,172 in funds to be put to better use. Recommendations for \$724,762 were not implemented. Additionally, agencies took final action on \$2,616,587 contained in four individual audit recommendations.

**Final Action on Audits and Audit Recommendations
With Funds To Be Put To Better Use
October 1, 1994 - March 31, 1995**

| Funds To Be Put To Better Use | | |
|--|----------------------------|---------------|
| | Number of Audit Reports | Dollars |
| A. Management decisions with no final action as of October 1, 1994 | 56 ¹ | 1,436,287,725 |
| B. Management decisions made during the period | 15 | 244,045,774 |
| C. Total management decisions (A + B) | 71 | 1,680,333,499 |
| D. Final action on audit reports | 16 | 505,295,172 |
| 1. Value of recommendations implemented | | 504,570,410 |
| 2. Value of recommendations not implemented | | 724,762 |
| 3. Subtotal (1 + 2) | | 505,295,172 |
| E. Audit reports needing final action as of March 31, 1995 (C - D) | 55 | 1,175,038,327 |
| RECOMMENDATIONS | | |
| F. Final action on audit recommendations | 4 | 2,616,587 |
| 1. Value of recommendations implemented | | 2,616,587 |
| 2. Value of recommendations not implemented | | |
| 3. Subtotal (1 + 2) | | 2,616,587 |
| G. Total final action taken during the period (D + F) | | 507,911,759 |

¹This reflects the increase of one audit inadvertently omitted from the last report.

AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION

The table on the following page reflects 16 audits either under appeal or for which a legislative solution is necessary to effect final action. These audits contain 157 recommendations involving \$8,468,874 in disallowed costs and \$383,609,663 in funds to be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on 72 recommendations containing over \$2.6 million in disallowed costs and \$3.4 million in funds that OIG recommended could be put to better use.

**AUDITS UNDER APPEAL OR
LEGISLATIVE SOLUTION
OCTOBER 1, 1994 – MARCH 31, 1995**

| Agency | Administrative Appeal | Judicial Appeal | Legislative Solution | Disallowed* Costs (Dollars) | Funds To** Be Put To Better Use (Dollars) |
|---------------|------------------------------|------------------------|-----------------------------|------------------------------------|--|
| CFSA | 4 | 1 | 0 | 6,547,761 | 244,200 |
| RHCD | 0 | 0 | 4 | 0 | 381,763,909 |
| FCS | 2 | 0 | 0 | 1,921,113 | 0 |
| FS | 0 | 1 | 0 | 0 | 402,495 |
| FSIS | 0 | 0 | 1 | 0 | 0 |
| NRCS | 1 | 2 | 0 | 0 | 1,199,059 |
| TOTAL | 7 | 4 | 5 | 8,468,874 | 383,609,663 |

*Of this amount, action is complete on \$2,565,614.

**Of this amount, action is complete on \$3,400,000.

APPENDIX 1
AGENCY AUDITS WITHOUT FINAL ACTION 1 YEAR
FROM THE MANAGEMENT DECISION DATE

Agencies did not complete corrective action within 1 year on 122 audits. The 93 audits indicated with an asterisk (*) were in the report for the period April 1- September 30, 1994. Some audits contain multiple recommendations affecting the completion of final action. These include complex automated system changes, collection activities, development and implementation of regulations or directives, legal implications, investigations, actions to be taken by organizations other than USDA, and other time-consuming corrective action to implement the management decisions. The 122 audits contain 1,270 recommendations. Agencies completed action on 876 recommendations containing \$54,713,784 million in disallowed costs and \$305,347,178 million in funds to be put to better use.

**AGENCY AUDITS WITHOUT FINAL ACTION
1 YEAR FROM THE MANAGEMENT DECISION DATE
(DOLLARS)**

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|------------------------------------|---|--|
| AGRICULTURAL MARKETING SERVICE | | | | |
| Financial Review at Federal Inspection Offices #01061-12-AT* | 4/20/92 | 0 | 251,573 (251,573) | The audit has three recommendations of which one is complete. The remaining findings are that AMS implement an automated billing system and remote data entry. A shortage of Agency resources and development of the automated system are delaying final action. |
| Management of the Shipping Point Inspection Program #01061-16-AT* | 9/30/92 | 0 | 0 | The audit has nine recommendations of which seven are complete. The remaining findings are that AMS revise internal review procedures to include evaluations of Federal-State Inspection Agencies' (FSIA's) fiscal operations and interest earned. Limited Agency resources and the negotiation of amended cooperative agreements with the FSIA's are delaying final action. |
| AMS Subtotal | | 0 | 251,573 (251,573) | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|--|
| CONSOLIDATED FARM SERVICE AGENCY | | | | |
| Pennsylvania State and County Office Administration #03001-47-HY* | 3/30/90 | 328,762 (889) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| 1989 Emergency Crop Loss Assistance, Orleans County, New York #03012-2-HY* | 8/1/91 | 146,284 (67,674) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Controls Over Claims, Collection and Debt Management Activities #03091-338-FM* | 9/30/92 | 7,891 (0) | 4,637,534 (3,575,000) | The audit has 15 recommendations of which 14 are complete. The remaining finding is that the Agency develop an automated claims system for commodity operations, establish written procedures to process accounting transactions affecting claim amounts shown in the Financial Management System, and revise regulations to provide that debtors with delinquent debts be assessed an interest charge plus an additional amount to help offset the administrative overhead for processing delinquent debts. Implementation of an automated claims and debt management system for commodity operations is delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|--|
| Payment Limitation Requirements, Idaho #03099-59-SF* | 11/27/90 | 433,320 (147,188) | 1,011,080 (0) | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| 1988 Disaster Program, Michigan #03099-81-CH* | 1/12/90 | 757,372 (16,917) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Disaster Program- Nonprogram Crops, Thomas County, Georgia #03099-148-AT | 9/30/93 | 333,628 (333,628) | 0 | The audit recommended that the Agency recover disaster payments from three producers for crop-years 1990 through 1992 and any other amounts established, discontinue making any further payments until the repayments are made and take the necessary administrative actions regarding Producer A's membership on the county committee, including possible removal. An OIG investigation is delaying final action. |
| Disaster Program Payments, Arkansas #03099-149-TE* | 11/8/91 | 625,353 (338,432) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs and completion of three OIG investigations. |
| Payment Limitation for Related Farming Operations, Kansas #03099-156-KC* | 6/11/91 | 178,145 (38,702) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|---|
| Audit of Arkansas Emergency Conservation Program #03099-160-TE* | 5/14/93 | 50,169 (1,188) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Evaluation of Planning, Budgeting and Managing of Selected IRM Acquisitions #03555-2-FM* | 5/13/93 | 0 | 0 | The audit has 16 recommendations of which 14 are complete. The remaining findings are that the Agency develop clarifying supplements to Federal Regulations. Publication and issuance of the regulations are delaying final action. |
| Payment Limitations for 1987, Idaho #03600-1-SF* | 5/19/89 | 1,118,793 (416,300) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Audit of the 1988 Livestock Feed Program, Texas #03600-11-TE* | 6/21/90 | 613,943 (107,254) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| 1989 Payment Limitation Operations, Arizona #03600-13-KC* | 9/30/91 | 3,611,182 (380,002) | 0 | All administrative and corrective actions are complete on this audit. Completion of bankruptcy proceedings is delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|---|
| Management Issues on CCC's FY 1992 and 1991 Financial Statements #03600-14-FM | 8/2/93 | 0 | 0 | The audit has 20 recommendations of which 17 are complete. The remaining findings are that the Agency require mandatory documents be submitted to CCC prior to approval and disbursement of all foreign direct and guaranteed loans upon guidance from OGC, upgrade or replace the Financial Management Accounting System, and establish timeframes and assign resources to develop the Processed Commodities Inventory Management System accounting handbooks. Implementation of the Accounting System is scheduled for December 1996. Complete integration and modification of the feeder systems is expected by FY 1996. |
| 1989 Disaster Assistance Program, Frio County, Texas #03600-18-TE* | 5/22/91 | 131,077 (85,298) | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Maximum Payment Limitation Program, Texas #03600-32-TE | 6/22/93 | 48,164 (48,164) | 0 | The audit has three recommendations of which two are complete. The remaining finding is that the Agency direct the Calhoun County committee to recover program payments paid to Producer A for the 1990 crop-year. Collections are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|---|
| Audit of Large Payments for 1986, La Reata Farms #03645-17-TE* | 6/2/89 | 1,289,513 (1,289,513) | 27,232 (0) | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Administrative appeals were filed and subsequently denied. Liquidation of the claims is further delayed due to the producers filing for bankruptcy. |
| Reinsurance Operations, Mississippi #05099-11-AT* | 3/31/88 | 822,104 (822,104) | 12,680,562 (0) | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Cash Management Practices With Reinsured Companies, Phase II #05099-39-FM* | 3/21/91 | 0 | 6,939,000 (3,538,000) | The audit has 14 recommendations of which 13 are complete. The remaining finding is that the Agency establish a review group to study the benefits/costs of requiring insurers to pay 50 percent of the adjusted premium when insurance coverage attaches to a crop. Completion of a study is delaying final action. |
| 1988 Crop Insurance Contracts With Claims #05600-1-TE* | 9/29/89 | 0 | 0 | The audit has 19 recommendations of which 18 are complete. The remaining finding is that the Agency establish an acceptable Actual Production History (APH) error rate level to use in measuring companies' performances. Completion of an analysis on past APH error data is delaying final action. |
| CFSA Subtotal | | 10,795,700 (4,093,253) | 25,295,408 (7,113,000) | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|--|
| RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE | | | | |
| Debt Restructuring, Farmer Program Guaranteed Loans #04006-2-TE* | 9/27/91 | 6,505 (111) | 0 | The audit has 10 recommendations of which 9 are complete. The remaining finding is that the Agency recover excessive loss payments. Collection of the remaining overpayment from the lender is delaying final action. |
| Implementation of Nine Point Credit Management Program #04006-2-AT* | 8/10/88 | 0 | 0 | The audit has 24 recommendations of which 21 are complete. The remaining findings are that the Agency report delinquent debts to credit bureaus, use the Office of Management and Budget (OMB) and the Department of Treasury guidelines to report debt information, develop an automated system for cases referred to the Department of Justice (DOJ), and implement recommendations resulting from the caseload reconciliation project. The Department's development of software to implement the automated tracking system is delaying final action. |
| Collection Systems and Other Selected Areas #04099-72-FM* | 9/28/90 | 313 (0) | 254,273 (1,430) | The audit has 12 recommendations of which 9 are complete. The remaining findings are that the Agency revise procedures to meet Internal Revenue Service (IRS) requirements, develop an automated mechanism to issue forms to IRS and to individuals receiving income from sales of acquired property, require reappraisals when Agency appraisals indicate a decline in market values, amend procedures to request income tax refund offset on defalcation accounts and report the accounts to IRS. Software implementation and revisions of instructions are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|---|
| Debt and Loan Restructuring System and Related Systems Modifications #04099-74-FM* | 9/25/90 | 0 | 0 | The audit has six recommendations of which five are complete. The remaining finding is that the Agency clarify whether loans of the same type, but with different interest rates, should be consolidated and make appropriate changes to Agency procedures. Revision of Instruction is delaying final action. |
| Rural Housing Interest Credit Operations, Commonwealth of Puerto Rico #04099-77-HY* | 10/30/91 | 12,916 (972) | 0 | The audit has 11 recommendations of which 10 are complete. The remaining finding is that the Agency recover unauthorized interest credit. Bankruptcy proceedings are delaying final action. |
| Paradise Mills Estate, Virgin Islands #04099-79-HY* | 4/9/92 | 0 | 249,327 (9,805) | The audit has 15 recommendations of which 7 are complete. The remaining findings are that the Agency require the borrower to develop and implement procedures to ensure that loan resolutions, agreements, and mortgage requirements are followed, apply remaining fund balances to the loan, document future direct funding in the annual budget and financial report, initiate corrective action on the areas identified by Certified Public Accountant (CPA) reports, reconcile bank statements monthly, develop and implement separation of duty procedures over cash collections, advise the borrower of non-monetary default on the loan, and require the borrower to obtain and maintain property insurance. The Government of the Virgin Islands and the Federal Emergency Management Agency are assisting to reconstruct and rehabilitate the building complex. Reconstruction and rehabilitation of the projects are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|--|
| Servicing of HUD Section 8 Projects, Harrisburg, Pennsylvania #04099-81-HY* | 6/23/93 | 320,427 (24,663) | 3,963,490 (221,478) | The audit has 19 recommendations of which 17 are complete. The remaining findings are that the Agency cancel unneeded interest credit agreements, and require borrowers to reimburse the disallowed costs. Cancellation of interest credit and receipt of documentation to cure default are delaying final action. |
| Servicing of HUD Section 8 Projects, Syracuse, New York #04099-83-HY* | 6/4/93 | 13,596 (13,596) | 3,903,763 (3,903,763) | The audit has 20 recommendations of which 12 are complete. The remaining findings are that the Agency ensure that borrowers either repay or document planned usage of excess funds, cancel or revise unneeded interest credit agreements and/or collect overage, review the use of reserve funds, and recover questioned loans and costs. The development of a 5-year plan and recovery of questioned costs are delaying final action. |
| Evaluation of Selected Information Resource Management and Other Procurement #04099-87-FM* | 9/30/91 | 0 | 2,129,250 (0) | The audit has 13 recommendations of which 10 are complete. The remaining findings are that the Agency complete an analysis of information needs, either correct deficiencies in planning documents or obtain management approval for any deviations from established requirements, notify OMB before making material revisions to the budget and provide supporting documentation, and provide cost-benefit analyses to OMB for major acquisitions. Development and implementation of an Information System Plan (ISP) are delaying final action |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|--|
| Rural Rental Housing Program, Champaign, Illinois #04099-108-CH* | 3/26/93 | 16,577 (6,740) | 285,789 (285,789) | The audit has 12 recommendations of which 8 are complete. The remaining findings are that the Agency either require a refund or documentation from borrowers to support improperly charged caretaker costs, increase reserve account balances and fidelity bond coverage, and establish timeframes for borrowers to perform necessary repairs and inspections to ensure that the repairs were completed. Response to a demand letter, payments to the reserve account and implementation of a plan which addresses all deficiencies are delaying final action. |
| Rural Rental Housing Program Operations at Nauvoo Development Company, Inc. #04099-110-CH | 7/7/93 | 0 | 0 | The audit recommended that the Agency require an independent management company to assume responsibility for the rural housing projects, require the borrower to retain an independent public accounting firm to perform an audit of the 1993 financial statements and foreclose on the rural rental housing projects if loan agreements and Agency regulations are not met. The borrower requested a loan from the Small Business Administration (SBA) to purchase apartment units. A response from SBA is delaying final action. |
| Management of Six Rural Rental Housing Projects, Montana #04099-116-KC* | 3/4/91 | 1,484,131 (1,484,131) | 0 | The audit recommended that the Agency coordinate with OGC and OIG on servicing actions to minimize losses and the potential for criticism of the Government, require collection of unauthorized withdrawals and interest, require the borrower to restore proper balances to the reserve and operating accounts |

| Report Title | Date Issued | Disallowed Costs Total | Funds To Be Put To Better Use Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|------------------------|--|--|--|
| | | | | | review the propriety of management fees, repair and travel expenses, require the borrower to fund tenant security deposit accounts and to account for deposits and withdrawals, follow proper accounting procedures for determining and reporting laundry and miscellaneous income, provide for a CPA audit of all accounts after 1985 and submit past-due management reports, resolve the unauthorized liens against Agency loan collateral, pay delinquent taxes, and establish and fund tax escrow account for projects. Cancellation of the remaining debt is delaying final action. |
| Debt Management of Defaults on Guaranteed Loans #04099-118-TE* | 6/11/87 | 0 | 0 | 0 | The audit has two recommendations of which one is complete. The remaining finding is that the Agency modify Instruction 1980-A to include procedures to monitor the recovery and collection actions of lenders subsequent to payment of loan guarantee loss claims. The Agency published proposed rules and anticipates final rules by January 1996. |
| Management of Two Rural Projects, North Dakota #04099-119-KC* | 9/6/91 | 885,169 (40,729) | 0 | 0 | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|---|
| Indian Tribal Land Acquisition Program, Loan Approval and Servicing #04099-122-KC* | 10/16/92 | 9,630,000 (0) | 0 | The audit has seven recommendations of which three are complete. The remaining findings are that the Agency ensure that collateral to secure future loans made to purchase land with Indian Tribal Land Acquisition Program funds is adequate to allow servicing for graduation, coordinate with the Bureau of Indian Affairs (BIA) to ensure loans are not made to acquire land prior to the Agency loan approval, require that the income assignments specify that a corresponding reduction in loan principal either accompany the removal of assets on future loans when income assignment is the only security or income is from the sale of assets which are not renewable during the life of the loan, and coordinate with BIA to ensure restrictions on loan proceeds, debt service, and reserve accounts are part of the loan agreements. Agency approval of a proposed rule is delaying final action. |
| Farm Ownership Loans for Socially Disadvantaged Persons #04099-184-TE* | 3/31/93 | 0 | 0 | The audit has five recommendations of which four are complete. The remaining finding is that the Agency resolve its responsibilities for an outreach program, including media contacts, and prepare regulations to inform socially disadvantaged persons of the various farm ownership loan programs. Publication and issuance of regulations are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Rural Rental Housing Cost Certification for a Borrower With an Identity of Interest, Louisiana #04099-187-TE* | 11/3/92 | 56,888 (56,888) | 0 | The audit has five recommendations of which three are complete. The remaining findings are that the Agency recover loan funds credited to the borrower/contractor's initial investment and apply it against the loan. The borrower submitted information for review. Completion of the review is delaying final action. |
| Rural Rental Housing Cost Certification, Louisiana #04099-195-TE* | 12/17/92 | 17,658 (17,658) | 0 | The audit recommended that the Agency recover the overpayment from the supervised bank account and review other Agency projects completed by the contractor after January 1985 to determine excess profits. The agency requested assistance from OIG to determine whether the borrower obtained excess profits. This is delaying final action. |
| Rural Housing Loans on Manufactured Homes #04099-284-AT* | 8/16/89 | 0 | 0 | The audit has two recommendations of which one is complete. The remaining finding is that the Agency use average quality cost factors to appraise manufactured houses. Publication of a proposed rule is delaying final action. |
| Contracting for Program and Automated Data Processing Services #04099-321-AT* | 8/24/92 | 0 | 0 | The audit has eight recommendations of which six are complete. The remaining findings are that the Agency review staffing levels in Puerto Rico and reduce the staff appropriately; and revise the staffing allocation process to include consideration of workload performed by contractors. Final action is delayed pending expiration of contract. |

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| | | | | 242,055 (30,755) | The audit has eight recommendations of which five are complete. The remaining findings are that the Agency require projects to apply excess funds to loan obligations and document the use of funds retained in project accounts, monitor account balances to ensure that excess funds are applied to loan balances, request projects to either cancel unneeded interest credit agreements or collect overage, and require projects to transfer excess cash to reserve accounts. Final action is pending rehabilitation of a project and receipt of justification for interest credit subsidy and the misuse of reserve funds. |
| Servicing of HUD Section 8/515 Projects, Montgomery, Alabama #04099-323-AT* | 11/4/92 | 357,300 (208,694) | | 0 | The audit recommended that the Agency deduct the questioned costs from the final invoice. Receipt of a final voucher from the contractor is delaying final action. |
| Incurred Cost Audit of Rural Opportunities #04545-31-HY* | 9/8/92 | 1,158 (1,158) | 0 | 0 | The audit has 11 recommendations of which 10 are complete. The remaining finding is that the Agency perform OMB Circular A-76 studies to determine if it is more efficient to perform the interest credit in-house rather than contract out. The Agency agreed to publish requirements in instructions upon approval of reorganization plans. Since then, the Agency determined that waiting for the reorganization was not necessary. A change in the management decision is delaying final action. |
| Virginia and Selected County Offices #04550-1-HY | 5/17/93 | 0 | 0 | 0 | |

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| Rural Rental Housing Program Compliance #04600-1-SF* | 8/17/89 | 0 | 0 | The audit has eight recommendations of which six are complete. The remaining findings are that the Agency require the borrower to submit audited financial statements, review management fee expenses for the years not reviewed by OIG, and require the borrower to correct any overcharges found. An OIG investigation of the borrower is delaying final action. |
| Rural Rental Housing Construction Activities, Bangor, Maine #04600-3-HY | 6/7/93 | 0 | 0 | The audit has 14 recommendations of which 13 are complete. The remaining finding is that the Agency provide instructions to rural rental housing developers on the requirements for cost certifications and audits. Limited resources for training and the uncertainty of resources and directions for the Section 515 Program are delaying final action. The Agency anticipates a Multi-Family Housing Seminar will be held by December 1995. |
| Rural Area Eligibility Designations #04600-4-AT* | 12/5/89 | 0 | 0 | The audit has seven recommendations of which four are complete. The remaining findings are that the Agency revise its regulations to require more reviews when rapid development affects existing boundary lines, require contracts with local planning officials and documentation of planned development which impacts boundary determinations, further define land types and uses that qualify as open space, and specify that boundary designations include required open spaces within ineligible nonrural areas. Publication of final regulations is delaying final action. |

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| Controls and Security Over Remote Transaction Processing #04600-4-FM | 2/6/92 | 0 | 0 | The audit has 32 recommendations of which 27 are complete. The remaining findings are that the Agency validate existing Identifiers (ID's) on its computer systems and assign a new password, ensure passwords are established before access is allowed, document the access rules, limit access to selected individuals on the security staff, revise instructions to require approval from the National Office before users can install software not developed or purchased by authorized personnel and develop an automated tracking system to ensure security clearances. Receipt of documentation delayed final action within 1 year. |
| Rural Rental Housing Program, California #04600-5-SF* | 10/19/90 | 0 | 0 | The audit has 13 recommendations of which 12 are complete. The remaining finding is that the Agency process paperwork to approve changes in the reorganized partnerships. Receipts of documentation from the partnerships for approval of the general partner changes is delaying final action. |
| Guaranteed Loan Interest Rate Buydown Program #04600-7-AT* | 3/29/90 | 0 | 0 | The audit has nine recommendations of which six are complete. The remaining findings are that the Agency require lenders to submit appropriate documents for approval, establish procedures for review of cash flow items and to require lenders to certify before loan closing that off-farm income, farm debts, and CFSA payments were verified and crop yields were based on 5-year average yields for other sources. Revision of the Loan Assessment regulation is delaying final action. |

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| FY 1990 Financial Statements #04600-9-FM* | 0/30/91 | 0 | 0 | The audit has nine recommendations of which eight are complete. The remaining finding is that the Agency ensure timely development and implementation of the loan tracking system, and establish procedures to identify delinquent or defaulted borrowers and lenders with a history of repurchased loans and/or loss payments. Publication of final rule and software implementation are delaying final action. |
| Rural Rental Housing Construction Activities, Louisiana #04600-9-TE* | 4/10/92 | 269,241 (266,012) | 0 | The audit has 10 recommendations of which 9 are complete. The remaining finding is that the Agency recover loan funds credited to the borrower/contractor's initial investment and apply it against the loan. Review of the borrower's response to a demand letter is delaying final action. |
| Audit of FmHA's Consolidated Financial Statements for FY's 1991 and 1990 #04600-11-FM* | 9/10/92 | 0 | 0 | The audit has 13 recommendations of which 12 are complete. The remaining finding is that the Agency require State and District Offices to compare a sample of acquired properties' current market values against recent appraisals. Issuance of revised regulations and review guides are delaying final action. |
| Subsequent Farmer Program Loans to Net Recovery Buyout Borrowers #04600-11-TE | 3/31/92 | 6,510 (6,510) | 0 | The audit has five recommendations of which three are complete. The remaining findings are that the Agency consult with OGC to determine the appropriate action to take to reestablish debts improperly written off and loans to borrowers who did not qualify for the loans to determine the effect of any monetary omissions/discrepancies found on the Debt and Loan |

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| | | | | Restructuring Program. One borrower signed a promissory note to repay the disallowed cost and OIG referred another borrower to the United States (U.S.) Attorney's office. They are considering both civil and criminal charges, and have not yet reached a decision on pursuit of the case. Payment of the promissory note and a decision from the U.S. Attorney's office are delaying final action. |
| Financial Statement Audit, FY 1991 Management Issues #04600-12-FM* | 9/30/92 | 0 | 0 | The audit has 11 recommendations of which 10 are complete. The remaining finding is that the Agency perform a study to address the changes needed in the current accounting systems to produce and report financial information. Development and implementation of the ISP are delaying final action. |
| Administrative Appeal Procedures #04600-13-AT* | 3/27/91 | 0 | 0 | The audit has 14 recommendations of which 11 are complete. The remaining findings are that the Agency revise its regulations to address the weighing of oral and documentary evidence and the relevance of Agency actions or inactions that are not related to the issues under appeal, to provide that Hearing Officers (HO) may not evaluate decisions based on criteria not contained in Agency regulations or overturn agency decisions based solely on the appellant's unsupported oral testimony, to provide complete procedures for reviews of nonappealable decisions, to clarify when new information may and may not be used in an appeal. |

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| | | | | and to require that HO decisions cite Agency regulations, where appropriate, and to delete the provision allowing appeal decisions based on the HO's general knowledge. Consolidation of all appeal functions into a new National Appeals Division is delaying final action. |
| Rural Rental Housing Program, Ohio #04600-13-CH* | 3/22/91 | 0 | 89,641 (28,056) | All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. |
| Rural Rental Housing Program Construction Activities, Indiana #04600-23-CH* | 5/11/92 | 0 | 0 | The audit has 14 recommendations of which 13 are complete. The remaining finding is that the Agency initiate debarment or suspension actions against the independent auditors. Review of documentation for debarment action is delaying final action. |
| Rural Rental Housing Program Construction Activities #04600-25-CH* | 5/11/92 | 0 | 0 | The audit has 17 recommendations of which 14 are complete. The remaining findings are that the Agency prohibit borrowers and contractors from using related party companies and negotiated contracts in Rural Rental Housing (RRH) construction projects, and revise the State Evaluation Review Guide to provide more comprehensive coverage of RRH construction activities. Lack of funding and construction guidelines are delaying final action. |

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| Rural Rental Housing Program Construction Contractors #04600-28-CH | 3/31/93 | 37,702 (37,702) | 0 | The audit has seven recommendations of which three are complete. The remaining findings are that the Agency recover unallowable duplicate charges and unsupported charges, review rural rental housing projects to determine if costs are being accurately presented and establish instructions to prohibit rural rental housing projects from being subdivided. Revision to the rural housing program regulations and administrative actions taken against borrowers to recover monetary losses are delaying final action. |
| Nationwide Audit of County Office Operations #04642-1-TE* | 7/16/85 | 0 | 0 | The audit has 48 recommendations of which 45 are complete. The remaining findings are that the Agency improve controls over interest credit recapture operations. The development and publication of Instruction 1951-I are delaying final action. |
| Farmer Program Guaranteed Loans #04665-2-TE* | 9/29/88 | 0 | 483,405,395 (209,700,000) | The audit has 17 recommendations of which 15 are complete. The remaining findings are that the Agency obtain statements from lenders indicating that they reviewed the borrower's financial information and could not consider giving the borrower a loan and computerize controls to detect and prevent borrowers who default on loans from obtaining loans without repayment of the defaulted loans. Publication of regulations is delaying final action. |

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| Nationwide Review of Selected Program Areas #04669-2-FM* | 9/29/89 | 0 | 1,597,300 (1,056,000) | The audit has 12 recommendations of which 10 are complete. The remaining findings are that the Agency closely monitor the timeliness of processing Interest Credit Agreements (ICAs), prepare quarterly reports to identify field offices which do not renew or cancel ICAs in a timely manner, and incorporate edit checks into automated systems to identify questionable loan interest rates. Implementation of the New Loan Servicing/Escrow system and limited resources are delaying final action. |
| Debt Restructuring for Delinquent Borrowers Implementation of Primary Loan Service Programs #04673-7-SF* | 6/27/91 | 0 | 0 | The audit has 26 recommendations of which 23 are complete. The remaining findings are that the Agency instruct County Offices to discuss farming operations with the borrower prior to the final servicing action to determine if any changes to the operation have occurred which affect the debt-restructuring decision, to clarify the procedures for calculating production and living expenses, issue instructions clarifying procedures for completing shared appreciation and net recovery buyout recapture agreements and emphasize the importance of amounts recorded on these agreements. Issuance of administrative notices and publication of regulatory changes are delaying final action. |
| Audit of the Hoopa Valley Tribe #50568-527-SF | 6/28/93 | 36,544 (32,944) | 0 | The audit recommended that the Agency perform an independent party inspection of the construction, collect and require proof of recipient's income level and document procedures for determining and ranking recipient's eligibility for assistance. |

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| Quality of Audits Performed on Rural Rental Housing Borrowers by Certified Public Accountants #50600-9-CH* | 3/31/93 | 0 | 0 | The audit recommended that the Agency notify accounting firms, State and District officials that audits which either do not comply with professional auditing standards and/or audit program requirements will be rejected and referred to OIG if deficiencies are not corrected and the auditor(s) will be considered for either debarment or suspension, revise regulations to require independent public accountants to use an Agency audit program and provide for penalties if audit reports are not submitted timely, establish procedures to obtain and review working papers prepared by independent public accountants, provide all RRH borrowers and audit firms with a list of deficiencies OIG finds during audit reviews, require State Offices to compile the data and forward a summarized version to the National Office, monitor the District Office's receipt and review of annual audit reports, and require that the results of audit report reviews be documented. Issuance of an administrative notice and regulatory changes are delaying final action. |
| RHCD Subtotal | | 13,152,635 (2,198,508) | 496,120,283 (215,237,076) | |

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| FOREIGN AGRICULTURE SERVICE | | | | |
| Commodity Pricing Review #07001-2-HY* | 3/25/91 | 63,885,638 (27,445,061) | 0 | The audit recommended that FAS notify those exporters that included any after sales services in their reported port value that they are liable for all losses to CCC in the case of a default on credit guaranteed by CCC. Action by DOJ is delaying final action. |
| Market Promotion Program #07020-5-HY | 3/24/94 | 22,221 (0) | 0 | The audit recommended that FAS determine if commodities promoted under the Market Promotion Program (MPP) meet the 50 percent U.S. origin criteria by requiring program participants to maintain data on each product promoted under the MPP. This requirement is considered a significant change to the existing regulations and requires a proposed rule with the opportunity for public comment. FAS has targeted September 1995 for publication of the proposed rule. |
| General Sales Manager 102 and 103 Programs #07099-2-AT* | 12/11/90 | 0 | 6,219,645 (21,261) | The audit recommended that FAS recover any losses CCC may incur as a result of Iraqi State Enterprise for Tobacco and Cigarettes/Iraq's failure to repay credits guaranteed by the programs. Recovery of the disallowed costs from one exporter is delaying final action. |

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| Implementation of Recommendations, Market Development Activities #07099-27-HY* | 12/10/91 | 0 | 0 | The audit recommended that FAS decide whether to continue the Memorandum of Understanding (MOU) with the Agency for International Development (AID). If the MOU is discontinued, FAS should determine the time frames to develop regulations to administer the Section 416 Program. Completion of final regulations is delaying final action. |
| International Training Division #44010-3-HY* | 9/29/89 | 0 | 0 | The audit has 10 recommendations of which 9 are complete. The remaining finding is that the Agency reconcile expired orders, cancel unliquidated balances, and adjust prior billings. The Agency continues to work closely with the AID and other organizations on the billing and collection problems. |
| Financial Management System #44060-1-HY* | 7/13/90 | 0 | 0 | The audit has 17 recommendations of which 13 are complete. The remaining findings are that the Agency develop and issue procedures for the billing and collection operations that comply with the General Accounting Office (GAO) standards, collect unpaid prior year's debt, and forward outstanding receivables to GAO that AID declines to pay. Although draft procedures are in place and are currently being followed, limited resources are delaying the completion of written procedures for the billing and collection operations. The Agency continues to work closely with AID and other organizations on the billing and collection problems. Completion is scheduled in FY 1996. |
| FAS Subtotal | | 63,907,859 (27,445,061) | 6,219,645 (21,261) | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| FOREST SERVICE | | | | |
| Fiscal Year 1992 Financial Statements #08099-42-AT | 8/3/93 | 0 | 0 | The audit has 10 recommendations of which 5 are complete. The remaining findings are that FS establish policies to ensure that costs are properly expensed, use the "growing stock" inventory as a growth pool divisor on an interim basis, establish performance standards for all FS accounting personnel and ensure that personnel adhere to established internal control procedures over fixed assets. Revision of the performance standards and integrated subsystems to the general ledger is delaying final action. |
| FS Management Report #08099-47-AT | 12/15/93 | 0 | 0 | The audit recommended that FS establish controls to ensure that percentages are reviewed and revised, establish controls to ensure that National Forests identify and correct errors in the year-end Timber Sale Program Information Reporting System (TSPIRS), enforce controls to ensure that sales are not included in the "volume under contract" balance after the termination date has passed and to ensure compliance with requirements for validation of the growth activity pool divisor, enforce compliance with the established requirement that documentation for large TSPIRS adjustments be provided to the Washington Office (WO), change accounting procedures to charge indirect WO and Regional Office (RO) timber road costs as an annual timber expense, develop a system to ensure appropriate allocation of indirect and shared costs and implement controls to ensure its consistent application, ensure that maintenance costs benefiting |

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| | | | | the timber program for timber purpose roads is properly allocated as an annual timber-related expense and included in TSPIRS, improve the effectiveness of Timber Sales Accounting TSPIRS Activity Reviews, update the FS Handbook to establish procedures for periodic review of Project Managers' Statements, develop procedures to ensure that transactions posted to default management codes are corrected and cleared in an accurate and timely manner, and supervisory review procedures to ensure that reconciliations are performed on a monthly basis. The revision of the performance standards, the integrated subsystems to the general ledger, and issuance of the FY 1995 TSPIRS report are delaying final action. |
| Timber Management Antitrust Controls #08099-119-SF* | 8/28/91 | 0 | 0 | The audit has eight recommendations of which one is complete. The remaining findings are that FS complete development of a computerized bid-monitoring system, test the system to ensure it can be successfully implemented at the regional/forestry level, provide a schedule and procedures for system implementation, and require bid-monitoring units to update plans and submit annual reports. Change and loss of personnel due to the rapid decline of the National Timber Program are delaying final action. |
| Stumpage Rate Adjustments on Timber Sales #08099-122-SF* | 9/30/91 | 0 | 0 | The audit has five recommendations of which two are complete. The remaining findings are that FS clarify the policy and procedures regarding the treatment of monthly billing adjustments on deposits made on released units for tree |

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| FS Timber Sale Cruising Controls #08099-130-SF | 9/30/93 | 0 | 0 | <p>measurement sales, ensure that timber sale contract provisions comply with the national requirements, limit the use of the White Woods index to sales where a significant portion of the timber value is young growth timber, and establish specific standards for the types of sales on which the White Woods index would be utilized. Changes in personnel due to the decline of the National Timber Program and a lawsuit before the U.S. Claims Court are delaying final action.</p> <p>This audit recommended that FS provide direction on the elements that constitute a comprehensive cruise inspection, issue a directive requiring comprehensive cruise inspection for tree measurement timber sales with volumes exceeding 1 million board feet, perform a cost benefit analysis to ascertain the appropriate sales volume level for conducting cruise validation controls during the transition to a tree measurement program, issue a directive that all cruises must meet sampling error standards before related timber sales can be advertised, establish controls to ensure that cost effectiveness assessments are performed and documented in cruising records, direct the National Forests to assess the need for cruiser training, incorporate cost effectiveness assessments in the National Cruise Program and on the Regional Computer Cruise Program, direct</p> |

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| | | | | check cruisers to include effectiveness assessments in comprehensive cruise inspections, develop procedures for determining appropriate value-based sampling error standards for major high-value species for tree measurement sales, ensure that regions fully implement cruiser training and certification programs, ensure that the National Forests schedule and complete inspections for certified cruises, determine an appropriate career ladder for cruising staff and, if required, work with Departmental officials to obtain upgrades for cruising staff positions, obtain complete system documentation for all cruise programs in use, document and immediately test each region's volume estimator and certify annually that it is functioning properly, and develop security measures to ensure the integrity of data stored in electronic recorders. Cutbacks in timber management staff are delaying final action. | |
| Equitable Adjustment Claim Seubert Excavators, Inc. #08545-63-SF* | 5/10/93 | 0 | 963,307 (963,307) | The audit recommended that FS negotiate and reduce the equitable adjustment proposal by unsupported labor costs, clerical errors, use of inappropriate equipment rates, unallowable general, administrative and interest costs, partial payments, and markup not included in the original bid. A complaint filed by the contractor in the U.S. Claims Court is delaying final action. | |

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| Audit of the State of Florida for the Fiscal Year Ended June 30, 1991 #50568-248-AT | 6/30/91 | 0 | 0 | The audit has two recommendations of which one is complete. The remaining finding is that FS implement measures to ensure that the Florida Department of Law Enforcement revises its documents to ensure compliance with the drug-free workplace requirements. Revision of the FS cooperative law enforcement agreements is delaying final action. |
| FS Subtotal | | 0 | 963,307 (963,307) | |
| RURAL UTILITIES SERVICE | | | | |
| FY 1991 Management Letter #09600-5-HQ* | 4/6/92 | 0 | 0 | The audit has 11 recommendations of which 8 are complete. The remaining findings are that the Agency update accounting policies and procedures, modify the computer program to provide for accrued interest to be calculated and detailed to each loan, and prepare formal documentation of certain automated data processing system functions and activities. New and increased program requirements, inadequate automated systems, the loss of experienced staff and a 20 percent staffing vacancy have resulted in very little progress in updating accounting policies and procedures. The capability to provide detail on accrued unbilled interest will be developed as part of a new loan accounting system with an estimated completion date of FY 1997 or 1998. Loan accounting system electronic data processing operations are documented and standards for system design through system implementation are being developed. |

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| Guam Telephone Authority #50568-543-SF | 8/17/93 | 0 | 0 | The audit has nine recommendations of which five are complete. The remaining findings are that the Agency perform periodic reviews of inventory to assess the need to adjust the existing reserve for obsolete and excess materials, use a prenumbered receiving report, establish a plan for the acquisition and implementation of an integrated accounting system, and maintain adequate subsidiary property records. The Agency received a response from the Guam Telephone Authority (GTA) adequately addressing the remaining recommendations. The Borrower Accounting Division's review of GTA's response is delaying final action. |
| RUS Subtotal | | | 0 | |
| NATURAL RESOURCES CONSERVATION SERVICE | | | | |
| Security Over Selected Distributed Minicomputer Systems #10099-3-FM* | 9/30/92 | 0 | 0 | The audit has five recommendations of which one is complete. The remaining findings are that the Agency perform a risk analysis to identify system vulnerability, establish and implement standards to prevent and/or detect unauthorized intrusion, ensure that site-specific security plans are prepared and the users are aware of established security procedures, and include the OIG recommendations in the evaluation of site security personnel and office managers. Departmental review of the Security Management Handbook and an Agencywide risk analysis are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total | Funds To Be Put To Better Use Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Wetland Conservation Provisions #50600-2-KC | 12/15/92 | 0 | 0 | 0 | The audit has six recommendations of which three are complete. The remaining findings are that the Agency require field office personnel to identify minimal effect agreements that required mitigation or restoration, improve controls for ensuring the reliability of national wetland statistical reports and prescribe adequate controls to ensure that quality reviews include samples of negative wetland determinations. Receipt of documentation verifying the development of procedures and review of administrative records are delaying final action. |
| Conservation Compliance Provisions #50600-3-KC* | 8/19/92 | 0 | 20,011,833 (20,011,833) | 20,011,833 (20,011,833) | The audit has 21 recommendations of which 17 are complete. The remaining findings are that the Agency provide training on the Food Security Act conservation plan, strengthen controls over automated plan narratives, prescribe documentation requirements for status reviews and supervision and monitoring duties, conduct sessions to improve the awareness that, when changes occur in farming operations, existing plans should be developed and approved. Receipt of documentation is delaying final action. |
| NRCS Subtotal | | 0 | 20,011,833 (20,011,833) | 20,011,833 (20,011,833) | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete | |
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| OFFICE OF THE CHIEF FINANCIAL OFFICER | | | | | |
| Selected Aspects of Computer Security at the National Finance Center #11099-32-FM | 9/30/92 | 0 | 0 | The audit recommended that the OCFO expand its oversight role on the Integrated Data Management System (IDMS) to ensure that security activities are coordinated, secure IDMS ID's that have update access to the Integrated Data Dictionary with passwords and restrict the ability to update ID's to the Automated Data Processing (ADP) Security Office, develop and implement procedures and controls for Data Manipulation Language Online (DMLO) by all OCFO/NFC units, perform a comprehensive review of the IDMS logs to identify all uses of DMLO, restrict the ability to generate Data Dictionary Reporter reports to data base administration personnel, evaluate the access needed by users, and provide access to individuals rather than granting global access to sensitive payroll data sets. Development and implementation of operational procedures, competing demands and insufficient resources are delaying final action | |

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| Fiscal Year 1992 NFC General Controls Review #11600-1-FM | 3/31/93 | 0 | 0 | <p>The audit has 6 recommendations of which 2 are complete. The remaining findings are that the OCFO develop procedures and guidance which require agencies to document controls in and techniques at OCFO/NFC, continue to develop the automated audit trail for "sweep" to the budget cost system, finalize "sweep" procedures, including approval by the OCFO, require documentation for the underlying cause for each "sweep" request, and include managers in the risk assessment process and complete Consolidated Review Programs (CRP) within the mandatory 5-year time frame. OCFO started two projects to review and improve the current management control process. The projects were the Federal Manager's Financial Integrity Act (FMFIA)/Audit Follow-up Task Force and the Business Process Analysis (BPA) study of the CRP. The FMFIA/Audit Follow-up Task delayed work awaiting the finalization of the OMB Circular A-123. The Task Force will resume its work after receipt of the final OMB Circular A-123. The BPA Study of the CRP and an ongoing review process has been completed. The contractor issued a draft report, but not the final report on the process. The CRP for the ADP Activity was completed September 1994. Managers have been advised to report their weaknesses for the FMFIA process.</p> |

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| Audit of the U.S. Department of Agriculture's Fiscal Year 1992 Financial Statements #50600-6-FM | 9/30/93 | 0 | 0 | The audit has 22 recommendations of which 10 are complete. The remaining findings are that the OCFO formalize and distribute written and automated procedures which address the identification and elimination of duplicative interagency transfers and reimbursements, the unfunded accrued leave adjustment, and improved controls over the financial reporting process, integrate the Departmentwide Financial Information System and its subsystems in accordance with the U.S. Standard General Ledger (SGL) and the Joint Financial Management Improvement Program Core Financial Systems Requirements, provide oversight and develop a plan to bring OCFO/NFC's general ledger into full compliance with SGL, review the General Ledger Interactive Description System and modify duplicate unused, and incorrect transaction codes, implement a system to provide an audit trail for "sweeps" to the budget cost system, and develop a plan to execute all "sweeps" from the production environment, report cash based on OCFO/NFC records, develop written procedures to ensure that invalid Treasury symbols are timely researched and corrected, ensure that all material weaknesses or nonconformances are corrected and that corrective actions are effectively and timely implemented, ensure that all required | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| | | | | EMFIA reviews are completed on a 5-year cycle, and maintain supporting documentation. With the advent of the Government Performance Results Act, OCFO is exploring an automated tracking and reporting system that would encompass more than material weaknesses and nonconformances. OCFO is awaiting the finalization of OMB Circulars A-123 and A-130 prior to restructuring and coordinating the certification and recertification review under A-130. This is delaying final action. |
| OCFO Subtotal | | 0 | 0 | |

| COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICE | | | | |
|---|---------|--------------------|---|---|
| Small Business Innovation Research Program #13099-1-KC* | 1/24/92 | 76,811 (76,811) | 0 | The audit has nine recommendations of which seven are complete. The remaining findings are that the Agency ensure that the auditee provides documentation for unsupported costs and returns unallowable funds. Since the recipient has not made payment, the Agency referred the delinquent account to a collection contractor in early spring 1995. Collection of the disallowed costs is delaying final action. |
| CSREES Subtotal | | 76,811 (76,811) | 0 | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|--|
| OFFICE OF OPERATIONS | | | | |
| Controls and Accountability Over Office Supplies #23099-4-HY* | 11/6/92 | 0 | 0 | The audit has seven recommendations of which two are complete. The remaining findings are that OO develop and implement procedures to process inventory adjustments, program the system to provide for batch balancing, ensure that procedures are followed by returning incomplete requests for purchasing supplies, ensure the central supply store procedures are updated to reflect the transition to an automated inventory system, and obtain or develop the required documentation for the automated inventory system. Installation of both systems is anticipated in October 1995. |
| Centralized Excess Property Operations #23099-5-HY* | 4/10/93 | 0 | 0 | The audit has 15 recommendations of which 12 are complete. The remaining findings are that OO establish an inventory system to account for property at least once every 2 years. An on-line automated control system for acquisition and sale of rehabilitated furniture is operational. Installation of both systems is anticipated in October 1995. |
| OO Subtotal | | 0 | 0 | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|--|--|
| FOOD SAFETY AND INSPECTION SERVICE | | | | |
| Exporting Procedures #24097-1-AT* | 2/5/87 | 0 | 0 | The audit recommended that FSIS issue regulations to govern the Acceptable Quality Level Program for all classes of poultry expected to remain subject to Directive 918.1, "Poultry Carcass Inspection Program." FSIS plans to replace all poultry Acceptable Quality Level (AQL) standards with Finished Product Standards as part of the Secretary's Poultry Enhancement Program proposal. The Agency's response to the National Academy of Sciences' report titled, "Poultry Inspection, The Basis for a Risk-Assessment Approach," delayed the issuance of the proposal. The impact of this report and the public concern on salmonella contamination caused the Agency to shift its priorities and reset time schedules, thereby delaying publication of the proposed rule. The rule was held pending a peer review by the Academy on the Agency's Streamlined Inspection System for Cattle. FSIS is considering its plan to replace all poultry AQL standards during the upcoming rulemaking on Pathogen Control/Hazard Analysis Critical Control Point (HACCP). |

| Report Title | Date Issued Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Labeling Policies and Approvals #24099-5-AT* | 6/26/90 | 0 | The audit has 18 recommendations of which 6 are complete. The remaining findings identify deficiencies in the Label Approval Process, inadequate verification and enforcement of health and nutrition related claims, and inconsistencies in classifying, labeling and inspecting nonameable products. FSIS is examining options for improving the efficiency and effectiveness of the prior labeling approval process. Final nutrition labeling regulations are published and proposed health claim regulations will become effective in November 1995. |
| Meat and Poultry Inspections-Quality Control Programs #24600-1-CH | 11/18/93 | 0 | The audit has 10 recommendations of which 1 is complete. The remaining findings are that FSIS create standardized letters for each type of quality control plan, develop a time-phased plan to review letters for all previously approved plans and amend those without required assurances, develop standardized plans that contain mandatory and other optimal requirements, establish review procedures for approved plans, require the plants to include additional elements as needed, develop written procedures to require periodic reviews of quality control plans and identify changes that are needed to reflect current operations and guidelines, develop procedures requiring FSIS inspectors and circuit supervisors to evaluate the functioning of quality control programs at processing plants, require that area offices identify those plants when quality control plans may need to be amended, evaluate quality control activities in the plant inspections and |

| Report Title | Date Issued | Disallowed Costs Total | (Remaining) | Funds To Be Put To Better Use Total | (Remaining) | Reason Final Action Incomplete |
|---------------|-------------|------------------------|-------------|-------------------------------------|-------------|---|
| | | | | | | determine which of the major quality control activities should be included in the Performance Based Inspection System (PBIS) and require the inspectors at each processing plant to review their PBIS monitoring plans to identify areas of plant operation. The Pathogen Control proposed rule, published in February 1995, will have a direct impact on quality control programs. For this reason, the Agency is postponing any additional action on quality control programs until HACCP is implemented and the impact on quality control programs determined. |
| FSIS Subtotal | | 0 | | 0 | | |

| NATIONAL AGRICULTURAL STATISTICS SERVICE | | | | | | |
|--|---------|---|---|---|--|--|
| Management and Control of Local Area Networks and Statistical Forecasting Data #26099-1-FM | 8/19/83 | 0 | 0 | The audit has 16 recommendations of which 12 are complete. The remaining findings are that NASS review and designate as "speculative" those commodities that are market sensitive, encrypt transmissions of summary data for market sensitive commodities, prepare a contingency plan for all locations, and perform a review of all profiles to determine if unnecessary | | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|---|
| NASS | | | | access has been provided. NASS will revise the Agricultural Statistics Board regulations in 1995. Data encryption software testing is underway. A "draft" contingency plan is complete. "Generic" profiles for users are implemented and implementation of "generic profiles" at the data set level continues. |
| NASS Subtotal | | 0 | 0 | |
| FOOD AND CONSUMER SERVICE | | | | |
| Computer Match of Federal Employees #27006-1-TE* | 3/19/91 | 0 | 0 | The audit recommended that FCS review various Federal information sources to verify Federal employee and retiree income, notify State Agencies (SA's) of alternate data sources and encourage them to modify their Plans of Operation to incorporate these sources and coordinate with the Department of Health and Human Services (DHHS) on the data. FCS issued regulations to initiate Federal salary offset. FCS contracted for a multi-year study of targeting strategies under the Income and Eligibility Verification System (IEVS) regulation. Final action is contingent upon FCS' review and evaluation of the Technical Evaluation Report to determine the best method to implement the audit recommendations. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Security and Accountability Over Food Coupon Stamp Printing #27006-2-HY* | 9/30/91 | 2,938,000 (2,938,000) | 0 | All administrative and corrective actions are complete on this audit and a repayment schedule has been established. Final action is contingent upon final payment which is scheduled for September 30, 1995. |
| Implementation of the Income Eligibility Verification System #27013-45-TE* | 3/30/90 | 0 | 0 | The audit recommended that FCS increase efforts to ensure compliance with the IEVS, determine whether additional measures are needed to ensure that SA's clear IEVS matches within the regulatory timeframes, provide written guidance that either sets uniform IEVS targeting limits or specifies the elements that the SA's must include in their Plans of Operation, ensure that Food Stamp Program (FSP) applicants' households are included in the matching process of IEVS and that data sources of IEVS are not limited to the surrounding States unless it is cost effective, and review the SA's Plan of Operation to ensure that targeting procedures are proper. FCS issued a memorandum to clarify applicant matching in Texas and to restate policy on applicant matching. In September 1990, FCS awarded a contract to conduct a multi-year study of targeting strategies under the IEVS regulations. Final action is contingent upon the review and evaluation of the Technical Evaluation Report to determine the best method to implement the audit recommendations. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Virgin Islands Department of Education, National School Lunch Program #27022-49-HY* | 11/23/92 | 857,802 (735,280) | 83,179 (0) | All administrative and corrective actions are complete on this audit and a repayment schedule has been established. Final action is contingent upon final payment which is scheduled for July 15, 1997. |
| Debt Management Initiatives #27070-1-AT* | 2/5/91 | 0 | 0 | The audit has 15 recommendations of which 12 are complete. The remaining findings are that FCS require SA's to use private collection agencies and to develop procedures for routine referral of claims, finalize and issue proposed policy requiring the referral of unresolved FCS administered debts to collection agencies and revise regulations to allow for charging interest, penalties, and administrative costs on claims against delinquent nonparticipating households. FCS contracted with an auditing firm to develop debt management procedures and make recommendations on the treatment of Food Stamp recipient claims. Final action is contingent upon FCS' evaluation and implementation of the contractor's recommendations. |
| FCS Fiscal Year 1991 Financial Statements #27070-2-HY* | 8/10/92 | 0 | 0 | The audit has seven recommendations of which four are complete. The remaining findings are that FCS ensure that its new accounting system produces accurate and reliable balances that will become the direct source of financial statement balances, determine the reliability of the reported information at the |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| | | | | SA level, and require the SA's to substantiate all claims totals reported. FCS is preparing a model self-assessment guide for SA's to use to measure internal performance. Final action is contingent on completion of the guide. |
| FCS Management Letter for Fiscal Year 1991 Financial Statement #27070-3-HY | 3/23/94 | 148,750 (0) | 0 | The audit has eight recommendations of which three are complete. The remaining findings are that FCS instruct SA's that program regulations mandate that they perform an independent verification of authorized issuance and mail issuance returns, implement a procedure to ensure that the SA's complete onsite reviews of coupon issuers or bulk storage points once every 3 years, assure that written instructions are provided on how to perform physical inventory, and emphasize the need for the accountability and security of food coupons at the inventory points. All corrective actions are complete. Receipt of documentation to verify completion delayed final action. |
| FCS Financial Statements for Fiscal Year 1992 #27070-4-HY | 8/20/93 | 0 | 0 | The audit has 10 recommendations of which 5 are complete. The remaining findings are that FCS ensure the new accounting system provides accurate and reliable balances, establish procedures to properly record balances for the allowance for uncollectible accounts and the bad debt expense, require SA's and county offices to reconcile amounts reported on the FCS-209 report with the data contained on the system, ensure that Processed Commodities Inventory Management Systems will |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| | | | | produce accurate and reliable balances that will become the direct source of financial statement balances for commodity activity and commodity inventory owned by FCS. Final action is contingent upon full implementation of the corrective action plan for claims performance by SA's. |
| Nutrition Assistance Program Block Grant, Puerto Rico #27080-3-NY* | 7/31/87 | 298,370 (160,000) | 0 | The audit has five recommendations of which four are complete. The remaining finding is that FCS require the SA to coordinate with other Federal Agencies to obtain a proper allocation of administrative funds for integrated services and require the SA to submit revised financial reports. DHHS is responsible for the allocation of costs for the SA administering the Puerto Rico Nutrition Assistance Program and has notified the SA of the necessary revisions and clarifications to its Cost Allocation Plan. An agreement between DHHS and Puerto Rico is delaying final action. |
| Hurricane Hugo Activities, South Carolina #27097-4-AT* | 12/26/90 | 0 | 0 | The audit has four recommendations of which three are complete. The remaining finding is that FCS publish regulations on disaster procedures. Final action is delayed pending promulgation of the proposed disaster rule. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|---|-------------|---------------------------------------|---|--|
| Special Supplemental Food Program for Women, Infants and Children, Administrative Costs, Nationwide #27600-2-AT* | 2/27/91 | 0 | 0 | <p>The audit recommended that FCS perform comprehensive internal reviews and ensure that corrective actions are taken on deficiencies, request that non-Federal audits emphasize administrative cost issues, require the SA's to include an indepth description of their monitoring of local agency costs and review the plans for compliance with Federal requirements. FCS is revising the Expenditure Validation Review Guide. FCS' actions to develop cost allocation guidance disclosed that the problem is more complex than had previously been realized. Allocating costs to the Supplemental Food Program for Women, Infants and Children could not be separated from allocating them to health programs administered by DHHS. Due to personnel changes in DHHS, FCS is proposing a new management decision for the cost allocation guidance.</p> |
| Food Stamp Program, Administrative Costs, Nationwide #27600-2-SF* | 3/30/90 | 0 | 0 | <p>The audit has 10 recommendations of which 6 are complete. The remaining findings are that FCS work with DHHS to provide direction to States on the proper allocation of costs and instruct States that a waiver from OMB is required for any allocation method which does not comply with OMB Circular A-87. FCS has developed the expenditure validation review guidance and final action is contingent upon its issuance.</p> |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Food Stamp Administrative Costs, Louisiana #27600-5-TE | 11/01/93 | 30,663 (21,444) | 0 | The audit recommended that FCS recover disallowed costs from the Louisiana Department of Social Services (LDSS), require LDSS to implement accounting controls and procedures for interagency transfers to perform onsite monitoring to validate contractor's claims, and to allocate the Office of Family Support Fraud/Recovery Unit's clerical staff costs. All administrative actions are complete. The SA objects to paying the remaining disallowed costs. Final action is contingent upon collection of the disallowed costs. |
| Special Supplemental Food Program for Women, Infants and Children, Vendor Monitoring and Food Instrument Delivery System #27661-2-CH* | 6/15/88 | 0 | 0 | The audit has 38 recommendations of which 16 are complete. The remaining findings are that FCS provide a sufficient administrative budget, require SA's to develop methods to prevent vendors from overcharging, establish high-risk vendor investigative requirements, develop and require sanctions on vendors violating program requirements, require SA's to disqualify vendors disqualified from the FSP and issue regulations, codify a standardized appeal process, require SA's to identify redeemed food instruments not validly issued, require SAs to use minimum matching criteria, generate listings of |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| | | | | potential dual participation and submit reports to FCS on the efforts to detect and prevent dual participation. Significant public and political reaction to FCS' proposed rulemaking delayed the publication of a final rule. Final publication of a proposed vendor rule is delaying final action. |
| State of Washington #50568-556-SF | 11/03/93 | 506 (0) | 0 | The audit recommended that FCS recover the disallowed costs. All corrective actions are complete. Receipt of documentation to verify completion is delaying final action. |
| FCS Subtotal | | 4,274,091 (3,854,724) | 83,179 (0) | |

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

| | | | | |
|---|--------|--------------------------|---|---|
| Loan to LeBossier Hotel, Bossier City, Louisiana #04099-135-TE* | 9/2/88 | 1,340,000 (1,340,000) | 0 | The audit recommended that the Agency request OGC to review noncompliance of loan regulations and the terms of the lender's agreement to determine enforceability of the loan note guarantee. A deficiency judgment was filed. Collection activities are delaying final action. |
|---|--------|--------------------------|---|---|

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| Interest Accrual on Delinquent Loans Over 90 Days #04099-143-TE* | 5/22/89 | 0 | 8,378,513 (8,378,513) | The audit has three recommendations of which one is complete. The remaining findings are that the Agency either amend its regulations to require estimated loss reports if the liquidation period exceeds 90 days or to determine whether liquidation is required when borrowers are delinquent by three payments. Clearance and publication of regulations are delaying final action. |
| Nonprofit National Corporation - Loan and Grant Program #04600-6-TE | 12/20/90 | 498,998 (441,312) | 0 | The audit has 10 recommendations of which 9 are complete. The remaining finding is that the Agency reconcile the disallowed costs and subsequent technical assistance claims to the project summaries and approved task orders, determine the propriety of the claims for reimbursement and recover the funds for ineligible claims. The National Rural Development and Finance Corporation has accepted the determination of unauthorized assistance, an accounts receivable has been established, and negotiations are ongoing regarding repayment and/or settlement of the unauthorized assistance. |
| Final Loss Claim, Vail Holding Group, Inc., Vail, Colorado #32099-1-SF | 11/10/93 | 2,321,024 (2,321,024) | 0 | The audit recommended that the Agency refer the casefile for the Vail Holdings Group loan to OGC for a legal opinion on whether the lender's actions constitute negligent servicing and require the lender to resubmit its final loss report to reflect the principal balance and accrued interest. Referrals to the U.S. Attorney's Office for legal action against the borrower is delaying final action. |
| RBCD Subtotal | | 4,160,022 (4,102,336) | 8,378,513 (8,378,513) | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| ANIMAL AND PLANT HEALTH INSPECTION SERVICE | | | | |
| Mexico/United States Screwworm Eradication Program #33001-3-HY* | 8/21/91 | 117,359 (0) | 0 | The audit has 30 recommendations of which 24 are complete. The remaining findings are that APHIS determine the amount of added value tax paid during 1985 through 1989, request reimbursement of prior years' added value tax payments and return any reimbursement to respective government treasuries, develop and implement a procedure for cancellation of unnecessary insurance premiums, determine the historical cost of donated and purchased assets and adjust financial statements accordingly, conduct a physical inventory of assets, and reconcile the amounts with the balance sheet. Extension of program activities in Central America beyond planned timeframes to complete the screwworm eradication process, lack of funds to determine historical costs of donated assets and to incorporate adjustments into financial statements, an ongoing inventory of Screwworm Commission property, and denial of reimbursement to APHIS for the prior years' added value tax payments are delaying final action. |
| Pest Exclusion Activities #33004-1-HY* | 6/29/90 | 0 . | 0 | The audit has 10 recommendations of which 8 are complete. The remaining findings are that APHIS ensure that Agency officials comply with the user fee statute and, in consultation with OMB |

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| | | | | and the Treasury Department, either identify any requirements for repayment of the funds already used or request OMB and Treasury to consider waiving the repayment requirement, and reevaluate and revise, where necessary, APHIS' directive to prevent abuse of the overtime system. The 1990 Farm Bill authorized APHIS to collect user fees for preclearance activities. APHIS uses this authority along with existing applicable accounting procedures to maintain accounts for each cooperator and to record costs and deposit revenues. Waiver regulations for repayment of funds previously collected do not exist. APHIS' review of its overtime system and directives is delaying final action. |
| Administrative Costs, 1989 Medfly Eradication Project, California #33099-8-SF* | 3/31/92 | 1,643,599 (1,643,599) | 0 | The audit has 19 recommendations of which 12 are complete. The remaining findings are that APHIS recover funds used for unsupported helicopter ferrying costs, landing fees, insecticide applications, transportation of bait, employment of flag persons, and an overpayment to a rental car firm and ensure that an inventory is performed to reconcile Medfly project equipment. Performance of the inventory and collection of the disallowed costs are delaying final action. |
| APHIS Subtotal | | 1,760,958 (1,643,599) | 0 | |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|---|--|
| OFFICE OF PERSONNEL | | | | |
| USDA - Federal Employee's Compensation Act, #50600-7-AT | 3/31/93 | 1,050,580 (1,050,580) | 135,006,343 (135,006,343) | The audit has 11 recommendations of which 1 is complete. The remaining findings are that OP establish written program guidelines, controls to ensure monitoring of claimant's status, use of light duty assignments, coordinate the program to increase the representation of persons with disabilities in USDA, monitor vocational rehabilitation efforts and cost, monitoring chargeback costs and third party liability, and track the timeliness of claims processing. The Department's reorganization delayed issuance of departmental regulations. This directive has been drafted to reflect Mission Area program responsibilities and will be issued after final review. |
| OP Subtotal | | 1,050,580 (1,050,580) | 135,006,343 (135,006,343) | |
| OFFICE OF INFORMATION RESOURCES MANAGEMENT | | | | |
| Departmental Controls Over Major IRM Acquisitions #58001-1-FM* | 3/31/93 | 0 | 0 | The audit recommended that OIRM require agencies to adhere to the Parallel Review Process when submitting requests for technical approval (TA), ensure that proposed procurement is included in long-range plans and OMB A-11 reports, and that required documents are received from the Agency and distributed to the acquisition review team (ART) ensure staffing is |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
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| | | | | maintained within the Agency Technical Services Division, provide ART members with a checklist to ensure a consistent and uniform parallel review, establish a tracking system to ensure that problems are corrected and resolutions documented before granting TA and that conditions included in the TA letter are completed by the procuring Agency, develop a Departmentwide Automated Data Processing inventory system, establish control to ensure Agency procurements under multiuser contracts are subjected to the Parallel Review Process, perform comprehensive selective reviews of Agencies' compliance with Federal and Departmental information resource management requirements, ensure that findings and recommendations reported in reviews are corrected and reviewed, conduct vulnerability assessment reviews, and include material weaknesses in management controls in the FMFIA. Changes to Department regulations are delaying final action. |
| Management and Security Over Local Area Network #58099-21-FM* | 9/23/91 | 0 | 0 | The audit has 29 recommendations of which 24 are complete. The remaining findings are that OIRM conduct a formal risk analysis for the Local Area Network (LAN) and develop a contingency plan based on the risks identified, and develop and implement a cost allocation and billing process that provides for an equitable distribution, and include procedures in the Departmental Security Manual to prevent users from bypassing the LAN logon process. Publication of the Department Security Manual and implementation of the software to change the way costs are allocated and billed to the agencies are delaying final action. |

| Report Title | Date Issued | Disallowed Costs Total (Remaining) | Funds To Be Put To Better Use Total (Remaining) | Reason Final Action Incomplete |
|--|-------------|---------------------------------------|--|--|
| Security and Control of the National Computer Center #58099-22-FM* | 3/31/92 | 0 | 0 | The audit has four recommendations of which three are complete. The remaining finding is that OIRM include in the annual FMFIA and Security Plan all material internal control weaknesses identified in audit reports. Receipt of documentation delayed final action. |
| National Computer Center General Controls, FY 1992 #58600-1-FM* | 3/31/93 | 0 | 0 | The audit has eight recommendations of which six are complete. The remaining findings are that OIRM continue to stress the importance of backing up critical applications for timely recovery in the event of a disaster, to identify critical applications to the National Computer Center for sizing the hotsite location, and to implement the action planned concerning the vulnerability assessment reports. Implementation of the Los Alamos Vulnerability Assessment report delayed final action. |
| OIRM Subtotal | | 0 | 0 | |
| TOTAL | | 99,178,656 (44,464,872) | 692,330,084 (386,982,906) | |

